

DATE: September 12, 2013

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the final financial statements for June 2013. Previously, you received preliminary financial statements for June 2013.

There was approximately \$74,000 in net adjustments related primarily to an increase in estimated payables of \$77,000 and an increase in interest receivable of \$3,000. These factors resulted in a \$74,122 decrease in proceeds payable to the State General Fund.

Attachments

**IOWA LOTTERY AUTHORITY**  
**SCHEDULE OF ECONOMIC BENEFITS**

**June 30, 2013**  
**FINAL**

<b>Proceeds to Iowa Plan</b>		\$170,318,439
<b>Proceeds to CLEAN fund</b>		\$35,894,355
<b>Proceeds to Special Appropriations</b>		\$13,773,572
<b>Proceeds to Gambler's Treatment Program</b>		15,732,208
<b>Proceeds to the State General Fund:</b>		
Prior to Fiscal Year 2013	\$1,148,408,257	
Fiscal Year 2013		
Transferred	61,053,565	
Payable	<u>21,710,440</u>	
		1,231,172,262
<b>Proceeds to the Veterans Trust Fund:</b>		
Prior to Fiscal Year 2013	\$11,269,796	
Fiscal Year 2013		
Transferred	1,843,716	
Payable	<u>283,008</u>	
		<u>13,396,520</u>
<b>Total</b>		<u><u><b>\$1,480,287,356</b></u></u>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH AND YEAR ENDED JUNE 30, 2013**  
**FINAL**

	<b>Month ended June 30, 2013</b>	<b>Month ended June 30, 2012</b>	<b>Year-to-date June 30, 2013</b>	<b>Year-to-date June 30, 2012</b>
<b>OPERATING REVENUES</b>				
Instant-scratch ticket sales	\$15,673,969	\$14,399,227	\$202,299,747	\$188,814,325
Pick 3 sales	\$552,890	560,473	6,804,870	6,743,717
Powerball sales	\$4,237,153	5,340,243	81,385,271	57,934,104
Mega Millions sales	\$876,984	1,249,582	13,317,888	22,293,152
Hot Lotto sales	\$1,323,979	844,273	11,664,946	10,525,347
Pick 4 sales	\$255,630	230,015	3,085,784	2,788,613
\$100,000 Cash Game sales	\$364,120	372,492	4,483,605	4,314,098
Pull-tab sales	\$1,207,658	1,289,550	16,209,309	17,438,369
Application fees	\$225	350	5,125	4,075
Other revenue	\$557	35,263	11,706	212,884
<b>Total operating revenues</b>	<b>24,493,165</b>	<b>24,321,468</b>	<b>339,268,251</b>	<b>311,068,684</b>
<b>OPERATING EXPENSES</b>				
Scratch ticket prize expense	10,061,739	8,723,307	128,096,203	116,954,213
Pick 3 prize expense	328,094	330,894	4,009,581	3,993,780
Powerball prize expense	2,003,622	2,625,581	39,682,727	28,287,777
Mega Millions prize expense	435,669	632,489	6,538,181	11,307,020
Hot Lotto prize expense	651,601	410,880	5,652,815	5,118,123
Pick 4 prize expense	146,918	135,924	1,812,515	1,634,063
\$100,000 Cash Game prize expense	203,733	198,412	2,740,099	2,175,236
Pull-tab prize expense	753,682	804,187	10,140,042	10,912,790
VIP Club prize expense	160,274	160,714	1,950,002	1,907,142
Promotional prize expense	43,292	29,129	179,603	152,303
Advertising/publicity	705,518	670,821	6,603,905	6,605,304
Retailer compensation expense	1,648,361	1,846,422	22,116,797	20,125,497
Ticket expense	351,554	229,233	3,945,970	3,115,487
Vendor compensation expense	471,035	468,702	6,885,203	6,204,116
Online game expense	65,575	-	295,663	-
Salary and benefits	891,206	904,861	9,375,334	9,120,063
Travel	38,259	36,777	425,300	451,040
Supplies	3,516	11,211	100,620	147,091
Printing	792	589	13,459	15,031
Postage	369	289	6,337	6,238
Communications	21,192	12,967	155,755	130,366
Rentals	24,873	26,900	304,452	290,595
Utilities	6,020	6,377	103,386	97,579
Professional fees	31,334	44,292	125,004	165,225
Vending machine maintenance	47,052	44,818	577,841	537,941
Outside services and repairs	56,834	229,403	326,659	460,445
Data processing	4,916	4,207	57,072	50,320
Equipment	93,111	373,482	380,142	719,188
Reimbursement to other state agencies	31,669	34,876	415,056	433,436
Depreciation	23,879	18,899	245,805	173,611
Other	(10,930)	(20,387)	67,345	56,009
MUSL administrative expense	3,087	3,759	37,050	45,106
<b>Total operating expenses</b>	<b>19,297,846</b>	<b>19,000,015</b>	<b>253,365,923</b>	<b>231,392,135</b>
<b>Operating income</b>	<b>5,195,319</b>	<b>5,321,453</b>	<b>85,902,328</b>	<b>79,676,549</b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH AND YEAR ENDED JUNE 30, 2013**  
**FINAL**

	<b>Month ended June 30, 2013</b>	<b>Month ended June 30, 2012</b>	<b>Year-to-date June 30, 2013</b>	<b>Year-to-date June 30, 2012</b>
<b>Non-operating revenues (expenses)</b>				
Proceeds deposited to:				
State General Fund	(4,358,219)	(5,047,647)	(82,764,005)	(76,012,455)
Veterans Trust Fund	(85,198)	(78,236)	(2,126,724)	(2,719,494)
Interest Income	11,094	8,818	110,073	105,755
Interest expense	(362)	(3,010)	(33,453)	(39,134)
<b>Net non-operating revenues (expenses)</b>	<b>(4,432,685)</b>	<b>(5,120,075)</b>	<b>(84,814,109)</b>	<b>(78,665,328)</b>
<b>Change in net position</b>	<b>762,634</b>	<b>201,378</b>	<b>1,088,219</b>	<b>1,011,221</b>
Net position, beginning of period	5,521,545	4,994,582	5,195,960	4,184,739
<b>Net position, end of period</b>	<b>\$6,284,179</b>	<b>\$5,195,960</b>	<b>\$6,284,179</b>	<b>\$5,195,960</b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**  
**FINAL**

**ASSETS**

Current assets:

Cash	\$24,840,921
Cash on hand	600
Restricted assets - cash	339,541
Interest receivable	9,572
Prepaid expense	60,843
Accounts receivable - net	5,057,071
Ticket inventories	2,265,929

Total current assets	<u>32,574,477</u>
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Noncurrent assets:

Investment in prize annuities	5,349,567
Reserve on deposit with MUSL	5,105,041
Capital assets - net	<u>3,707,609</u>

Total noncurrent assets	<u>14,162,217</u>
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<b>Total assets</b>	<u><b>\$46,736,694</b></u>
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**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**  
**FINAL**

**LIABILITIES**

Current liabilities:

Online games prizes payable	3,156,305
Accounts payable	1,934,443
Current obligation for annuities	1,400
Administrative payroll payable	253,017
Due to:	
State General Fund	21,710,440
Veterans Trust Fund	283,008
Other state agencies	145,995
Retailer deposits	27,500
Unearned revenue	256,572
Accrued compensated absences	2,052,763
State withholding payable	152,714
Federal withholding payable	23,750
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Total current liabilities	29,997,907

Noncurrent liabilities:

Annuities payable	5,349,567
Prize reserve fund	5,105,041
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Total noncurrent liabilities	10,454,608

<b>Total liabilities</b>	<hr/> 40,452,515
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**NET POSITION**

Net investment in capital assets	3,707,609
Unrestricted	2,576,570
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<b>Total net position</b>	<hr/> <hr/> \$6,284,179

**IOWA LOTTERY AUTHORITY**  
**ANALYSIS OF NET POSITION**  
**JUNE 30, 2013**  
**FINAL**

Cash restricted for vehicle purchases	\$310,641
Ticket inventory	2,265,929
Net investment in capital assets	3,707,609
Net Position	<u><u>\$6,284,179</u></u>